



Orica Mining Services was seeking ways to sustain its expansion and growth. The key to such growth is to serve the current and future needs of both existing and new customers.

What makes a truly successful offering is those needs wrapped up in a superb level of service – this can provide a unique competitor differentiation. There are four principles common to top customer focused brands:

1. **They create a customer-centric culture:** this culture identifies, nurtures and reinforces service as a key deliverable.
2. **They use a rigorous selection process:** ensure that the organisation employs superior sales and support staff.
3. **They constantly retrain employees:** ensure the values of the organisation are reinforced and a great understanding of the product and procedures is maintained.
4. **They systematically measure and reward customer-centric behaviour:** excellence in sales

What it is worth to Orica Mining Services:

- Retaining all current customers and the business revenues they provide (AUD \$950m; EBIT 25%) as a base from which to grow
- Expand business with current customers as the first step in achieving growth in revenue (at an Industry CAGR of 8% this would equate to AUD \$445m over 5 years)

The learning OMS has gained from the Moranbah experience will be wasted if we choose not to have a culture that is customer-centric in nature and customer driven in behaviour.

Three main areas summarise the discussions held:

1. Organisations lose customers for attitudinal reasons
2. Data access, recording and mining is critical to assess the changing nature of critical key business drivers for customers and OMS at both operational and strategic levels
3. Engaging with customers strategically is a “no brainer”!

Net Promoter Score

Current best practice of upper quartile organisations using NPS

Product based organisations: +30 to 40%

Service based organisations: +10 to 20%

OMS trend at that point in time indicates:

Year to date -9% trending down (April -16%); Aspirational result to achieve a positive result in twelve months equal to +5 to +10 for year on year growth target.

TMI was engaged to implement a Consumer Centric Culture strategy so that Orica is to develop a closer connection to the customer’s needs. Implementation was part of the whole transformation of OMS.

Outcomes

Strategy mostly complete (but ongoing). Orica moved from an NPS of **-15** to a **+20** in an 18 month period (Please note that TMI implemented the CCC strategy but an independent company collected NPS data due to the scope and size of the data collection function). From that period and beyond, OMS has seen outstanding growth.

From Annual Report:

Despite very challenging market conditions and a generally subdued global economy, your company's underlying earnings for the year improved with net profit after tax before individually material items up 13% on the full year result for 2008 to a record \$646 million. Net profit after tax and significant items was up by 0.4% to \$542 million from the previous year.

For the first 6 months, excluding the loss on individually material items of \$43.8 million, net profit after tax was \$264 million, up 15% on 2008. Sales revenue increased 32% to \$4 billion.